









# Coup in Argentina seems imminent

**ROBERT LINDLEY**  
The 6th Infantry Regiment, whose barracks in San Nicolas 100 miles north-east of Buenos Aires, has been moved to the Army base at Tablada just outside Buenos Aires.  
It is considered that Gen. Videla will be the new Chief of State. There are conflicting reports on what will be the fate of the Peronist Government. According to some, he will be arrested and sent to the Martin Garcia island in the River Plate estuary and under the jurisdiction of the Navy. According to others he will be executed. Meanwhile, extremists of the left and right, now murdering indiscriminately, killed 18 over the weekend. Last week, when 37 died as the result of the political violence, was the record so far this year.  
Since the Peronists assumed power the violence has claimed 1,803 dead, 445 of them terrorists, according to the security forces. The present rate of these killings in Argentina is one every five hours.  
The central industrial city of Cordoba was the main centre of labour protest against the Government's austerity programme which seeks to hold wage increases at 20 per cent while allowing prices to rise by up to 100 per cent.  
While leaders of six political parties discussed arrangements for a multi-party conference to be held in the near future, the Radical Party leader Ricardo Balboin, "to try to cure the patient in the last five minutes before death," militant workers defied orthodox Peronist union leaders.  
The General Refractories payment was made following the arrest and detention in Romania, on charges of "industrial sabotage," of an employee of Austro-American Magnesite Company, a General Refractories subsidiary, headquartered in Radentheim, Austria.

# Romanian payment allegation

What appears to be a pay-off behind the Iron Curtain by a U.S. corporation has come to light in court papers filed by the U.S. Securities and Exchange Commission (SEC). AP-DJ reports from Washington. The corporation is General Refractories Company which, according to the court papers, also made dubious payments to a law firm in Greece. The Iron Curtain incident, as described by the SEC, involved \$250,000 paid by the Philadelphia-based fire brick producer to "a Romanian military officer." The allegations were disclosed in connection with an SEC suit against General Refractories.

# BOLIVIA'S HOPES OF ACCESS TO THE SEA

# Brazil's power game

**BY HUGH O'SHAUGHNESSY**  
AFTER NEARLY a century of bickering and outright warfare, one of the oldest frontier disputes in the Western Hemisphere, involving Bolivia, Chile and Peru, is boiling up again. In Peruvian eyes at least the position of Brazil and the South American balance of power is at stake.  
The dispute was born during the War of the Pacific which broke out in 1879 and during which the disciplined Chileans pushed northward up the coast to annex much of the Atacama desert and its rich resources of nitrate, at that time one of the world's principal sources of fertiliser.  
The Chileans defeated Bolivia and Peru and seized territory which had hitherto belonged to them. The Peruvians suffered the ignominy of having a Chilean army in occupation of their capital Lima. The Bolivians suffered more than a blow to their pride: they lost their only access to the sea. Ever since they have shared with Paraguay, the distinction of being the only landlocked republics in America.  
In theory the whole affair was finally laid to rest by a series of peace treaties and agreements, the last of which was signed in 1929. It drew the Chilean-Peruvian boundary between the towns of Tacna (Peru) and Arica (Chile), and gave each country the right of veto over cession by the other of the territories of Tacna and Arica to third parties. In practice the Peruvians continued to nurse their grievances.  
Bolivia, easily the weakest member of the trio, has maintained the pathetic hope that one day it would get access to the Pacific again. Every unsuccessful Bolivian president — and Bolivia has had more than its fair share of presidential failures — has been able to blame the bad results of his administration and the country's poverty on the fact that Chile was keeping Bolivia from its rightful access to the ocean.  
Bolivia maintains a navy — I have met its former admiral in the streets of La Paz — though its vessels patrol only Lake Titicaca, 12,000 feet up in the Andes or the steamy rivers of Bolivian Amazonia. Bolivia holds public flag days to collect funds for new vessels and not so long ago bought a freighter which shows the Bolivian ensign at foreign ports. The issue of the *salida de mar*, an exit to the sea, is at least as alive in La Paz as the siege of Derry is in Northern Ireland.  
The dispute, far from healing over the years, became worse in 1963 when Bolivia severed diplomatic relations with Chile over the latter's use of the waters of the River Lauca on the border between the two countries and one of the few watercourses in the Atacama. Things unfroze slightly in 1970 when both countries had Left-wing Governments under General Torres in La Paz and Dr. Salvador Allende in Santiago. In 1971 they froze up again.  
The majority of politically aware Bolivians would doubtless like an outlet to the sea, but not the cost of buying a railway and establishing a totally new port on a deserted strip of coast, a capital expenditure which Bolivia would find virtually crippling. A great many Bolivians in any case would not relish the thought of the dictator Banzer getting credit for any favourable deal.  
The Peruvians are probably the best pleased with the present deadlock. Many in Lima have not given up the idea of Arica returning to Peruvian sovereignty one day. They have been distrustful of any move which would bring Bolivia closer to Chile. Yet they wanted to avoid the odium attaching to the use of their veto against the cession of Chilean-controlled land to Bolivia as the 1929 treaty gave them.  
They have seen the Chilean offer as a move concerted between Chile, the U.S. Defence Department and Brazil. In times past Brazil and Argentina contended for influence in La Paz, but now with Brazil increasingly important economically, and the influence of an ever more chaotic Argentina declining, the Peruvians see Bolivia becoming a colony of Brazil in all but name. The Chilean offer to Bolivia is seen in Lima as tantamount to offering Brazil an outlet to the Pacific Ocean, strengthening Brazil once again at the expense of the smaller republics of South America. The Peruvians point to a whole series of territorial moves which Brazil has made during its history which have increased its territorial area at the expense of its neighbours and they do not want yet another one, however well camouflaged.



# river drops it of c race

**Our Own Correspondent**  
WASHINGTON, March 22. ARGENTINE SHRIVER to-day is the latest Democrat to join the Presidential election race. He, too, led immediately to endorse Kennedy.



has been clear for some time that the Shriver candidacy was doomed. Poor finishes in Hampshire and Massachusetts, his home ground, were followed by a landslide defeat in Illinois. He said Tuesday night that he was not active candidate and this time he made his withdrawal.  
The North Carolina primary on March 23rd, however, would be another withdrawal-time on Governor Ronald Reagan, President Ford's challenger.  
North Carolina, like Florida, is a state where two months ago Mr. Reagan was thought to lead, but the momentum President has acquired in his victory over Mr. Reagan changed the odds.  
The records of the Reagan campaign are striking to the point that more fertile ground lies in Texas on May 1 and Florida on June 5.

# Kissinger warns Cuba on Rhodesian intervention

**BY JUREK MARTIN, U.S. EDITOR**  
WASHINGTON, March 22.  
DR. HENRY KISSINGER to-day explicitly warned Cuba not to intervene in the Rhodesian situation. In a speech in Dallas, Texas, the Secretary of State said: "We have issued these warnings before. I repeat them to-day. The United States will not accept further Cuban military interventions abroad."  
His speech coincided with a report in the Washington Star by its diplomatic correspondent, which, given the prevailing mood in Washington, it is reasonable to assume was officially inspired.  
This report suggested that the U.S. was considering direct action against Cuba itself with the most likely recourse being a blockade along the lines of that employed in the 1962 missile crisis.  
The Star's early editions also said that military options against Cuba, including air strikes, were also under review but following vigorous denials by the State Department this part of the story was dropped in later editions.  
However, it is probable that Dr. Kissinger was using the newspaper to issue a further warning to Fidel Castro's Government that, in spite of the Congressional restrictions that limited the American capacity to combat Cuban intervention in Angola, the U.S. was still capable of entertaining direct retaliation against Cuba if provoked.  
The advanced text of Dr. Kissinger's Dallas speech does not elaborate on his basic warning. But it is possible to read into it an attempt to draw a distinction between Soviet and Cuban adventurism overseas. Whereas previously he had generally lumped the two together in his denunciations of their policies in Angola, the Dallas speech not only isolates Cuba once or twice for special mention but also contains a long defence of the first SALT agreement with the Soviet Union and a passionate exposition of the need for a new one. Additionally, he issued what must be seen as a thinly veiled warning to the Government of Mozambique not to be tempted to take up Cuban offers of assistance. "Let no one believe that American support can be bought by the threat of Cuban troops or Soviet arms," he said. "Our co-operation is not available to those who rely on Cuban troops."  
These remarks immediately followed Dr. Kissinger's endorsement of the latest British initiative to resolve the Rhodesian impasse. The Secretary of State said: "The United States has made clear its strong support for majority rule and minority rights in southern Africa."

# Burns alert to Congress

**BY DAVID BELL**  
WASHINGTON, March 22.  
DR. ARTHUR BURNS to-day warned Congress not to listen to "well-meaning citizens" who urge it to stimulate the economy further in order to reduce the number of people out of work.  
Such stimulus, he said, would inevitably require still larger federal deficits and these in turn would force the Treasury to rely more heavily on credit markets "thus drawing on funds badly needed for homebuilding and for business capital formation." Worse still, he went on, this would revive fears of inflation, sap consumer and business confidence and undermine the current welcome economic recovery.  
At the same time Dr. Burns noted that the Fed's monetary policies had not led to a sharp rise in interest rates and said that "there is a striking contrast between the movement of interest rates during the current recovery and their behaviour in past cyclical upswings." He said that the Fed's reliance on a sharp rise in the turnover of money balances had been justified by events and that conditions on the financial markets "are more comfortable than at any time in the past two years."  
However he noted that it was important to be sure that the "rate of monetary expansion does not slow too much or for too long" and pointed to the recent easing of the discount rate and the reserve requirements as evidence that the Fed is not unaware of the need to provide enough money to finance the upswing.

# Geisel boycott likely

A complete boycott by the Labour Party of the forthcoming state visit to Britain by General Ernesto Geisel, the Brazilian President, is likely to be recommended by the Party's national executive committee which meets in London to-morrow, Hugh O'Shaughnessy writes.

# 'No frills' deal ends

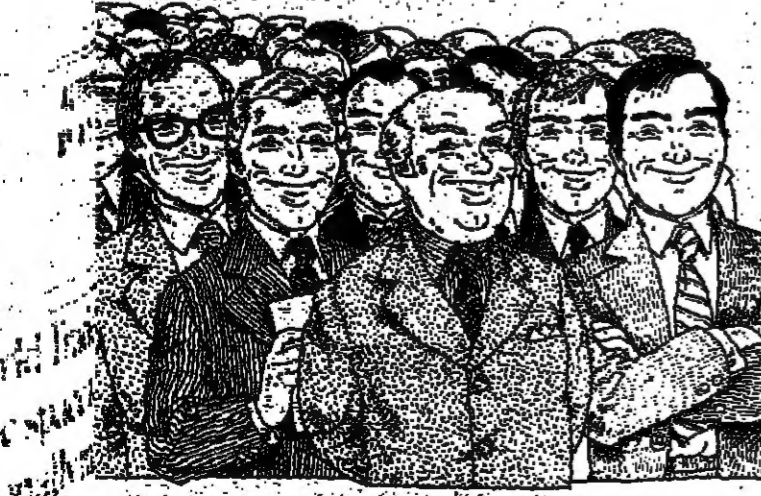
National Airlines, America's third international carrier, yesterday confirmed that it will be quietly ending its controversial "no frills" ticket price discount programme as from the end of next month, writes Jay Palmer in New York. Although National's motives in ending the programme almost certainly stem from its own financial difficulties in the wake of its long strike last autumn, many argue that the decision heralds a new move by the industry as a whole away from fare discounting promotions.

# Nixon report

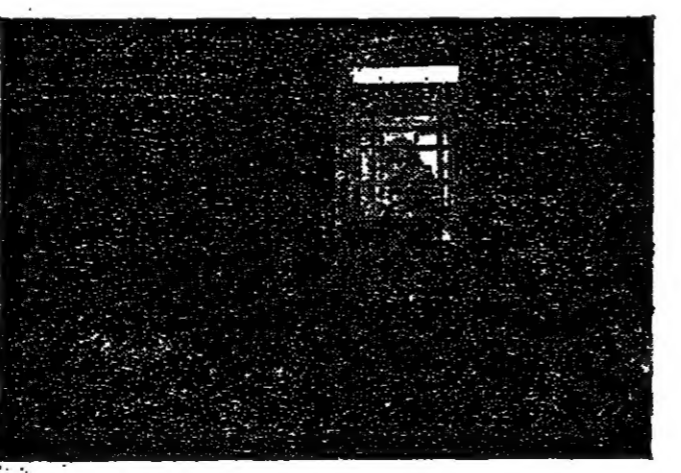
Former President Richard Nixon's report on his visit to China was given to Secretary of State Henry Kissinger last Monday and President Ford on Tuesday, Press Secretary Ron Nessen disclosed in Washington yesterday, AP-DJ reports. Mr. Nessen said that he did not know about the arrival of the report at the time because the National Security Council staff and the NSC Director Brent Scowcroft kept it secret from him. Both copies of the 40-page report were returned to Mr. Nixon at his request. Mr. Nessen said that it "did not contain any startling new information." He made it clear that he felt that his credibility had been damaged by the failure of White House aides to tell him what Mr. Nixon had submitted the report.

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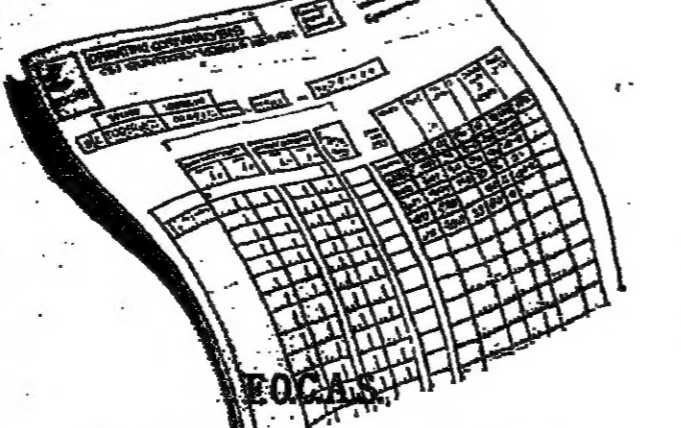
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We believe good warranties are essential to offer an excellent warranty ourselves.  
But they have little to do with the day-to-day running of a truck business.  
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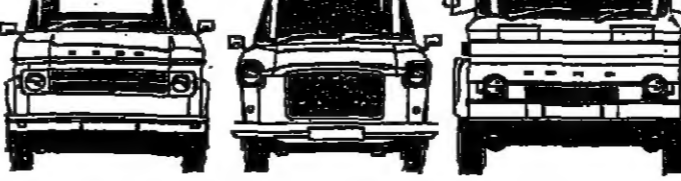


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# Israel takes up UN seat despite presence of PLO

# West Bank tension continues

## Tass attacks Sadat over treaty

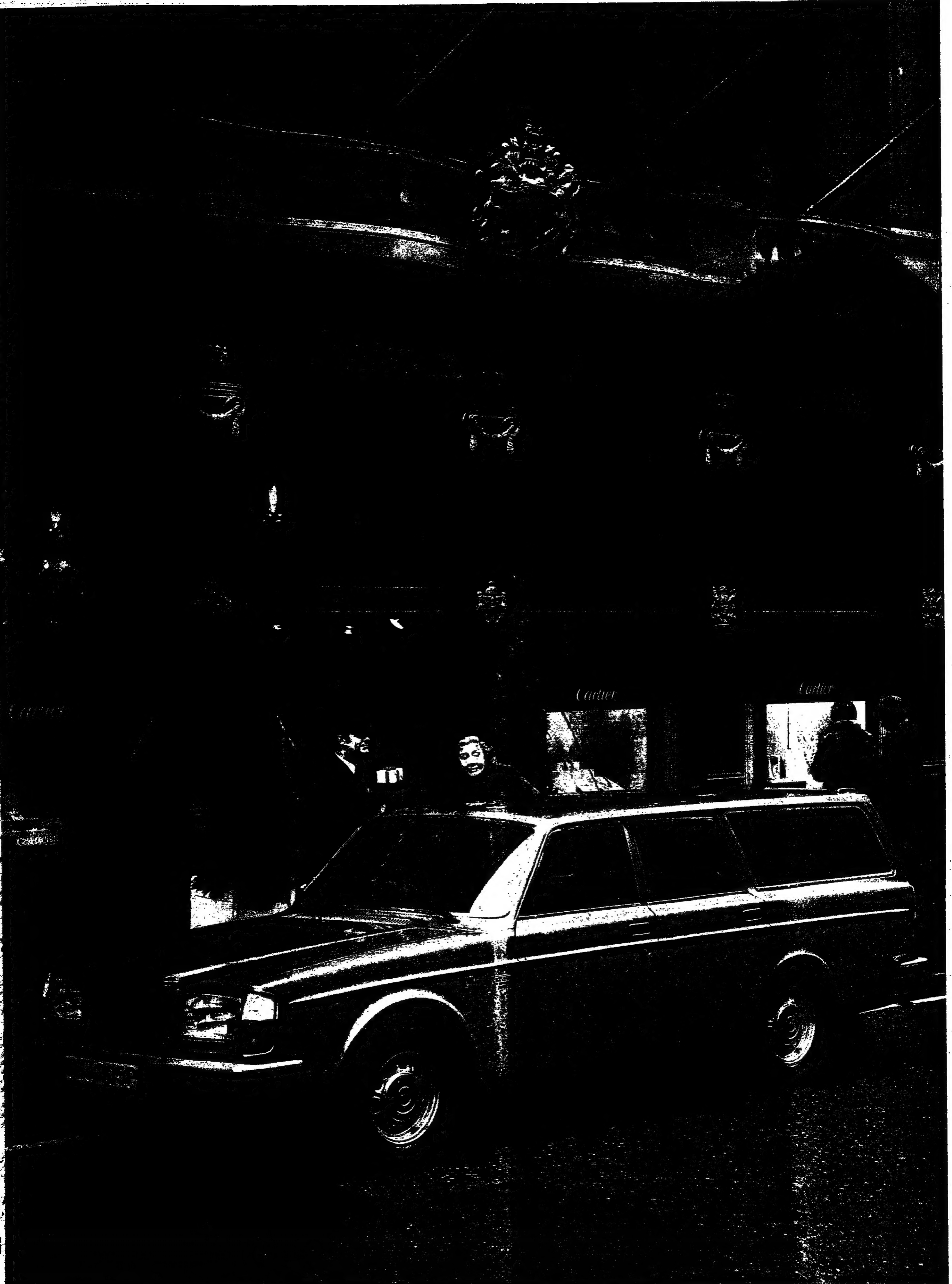
## Tass attacks Sadat over treaty

# Major airlines meet to negotiate on Japan-U.S. routes

## Algerian oil team advises Angola on negotiations

## Australia upturn forecast





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# Some awkward questions our competitors would like us to answer.

**Q** You've made a lot of claims about the relatively small amount of capital investment needed to re-equip a foundry with cupola plant. Do you have the figures to back up those claims?

**Q** The problems of wet, dirty or oily scrap are well-known to the foundry industry. Why should your fuel be able to cope with them any better than any other fuel?

**Q** Is foundry coke really the most efficient form of fuel?

**Q** The coal-mining industry isn't the most stable industry in this country. To put it bluntly, can you guarantee supplies?

# And the answers they didn't expect us to give in public.

**A** The facts are simple. To install a cold blast cupola costs about £5 per ton of annual melting capacity as against £15 for other melting systems. In these days when capital is scarce it's worth bearing these figures in mind.

**A** Coke-fired cupolas can accept a wider range of scrap than any other foundry melting plant. In fact, many other systems cannot accept oily, contaminated or wet scrap without costly treatment because of the dangers of explosion when charging. And of course, foundry coke plays an important function in the furnace that other fuels cannot do. During the melting process the metal and coke are in direct contact and the carbon provided by the coke contributes to the final composition of the molten metal.

**A** Certainly some other systems use energy more efficiently. But only when they have a constant work load over an extended period to offset the possible maximum demand charges imposed with other fuels. With today's uncertain economic climate, it's very unlikely that anyone can guarantee such a steady supply of work.

**A** To answer bluntly, no industry connected with energy supply can ever be completely stable again. Looked at in this context, foundry coke is a safe form of energy. Because you can build reserves. Because Britain has enough coal for foundry coke-making to last far into the future and most importantly, because, by agreement with the Council of Iron Foundry Associations, adequate stocks of foundry coke are maintained at the ovens, so foundry coke represents "energy stock".

Additionally, National Smokeless Fuels are pioneering new coke making techniques, thus guaranteeing the availability of good quality foundry coke when traditional coking coals are less readily available.

If you have any questions you'd like answered about foundry coke, contact Mr. J. D. Hill,

National Smokeless Fuels Ltd., Coal House, Lyon Road, Harrow, Middlesex HA1 2EX (Tel. 01-427 9001).

Once you've heard the answers we think you'll agree, National Smokeless Fuels, by supplying the energy to produce 90% of all Britain's iron, is the hidden power behind Britain's industry.

## National Smokeless Fuels Ltd.

The Hidden Power Behind Britain's Industry.































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## INSURANCE, PROPERTY, BONDS

<b>REGIONAL MARKETS</b>
A selection of the share prices previously shown under regional headings is repeated below with quotations for the week of which are listed in the London, are shown separately and with prices as at the last date.
100, Cannon St., London EC4A 3DF 01-593 4000

## Sale Tilney Record Profit

Extracts from the statement by Mr. T. J. King, Chairman of Sale Tilney & Company, Limited, for the financial year ended 30th November, 1975—

Revenue	1975	1974
2000	2000	2000
37,120	37,120	37,120
684	684	684
341	341	341
3,552	3,552	3,552
19.8p	19.8p	19.8p
200p	200p	200p

Dividend  
A final dividend of 2.25p per share (the maximum permitted) is being recommended, which together with the interim dividend of 2.07p per share will bring the dividends paid on the Ordinary Shares to 4.32p per share, as compared with 4.04p per share in the previous year.

Future Prospects  
My interim statement confirmed the previous indications that the profit for 1975 would be in excess of that achieved in 1974. The final result for 1975, a record profit of £84,000 (1974—£508,000), has more than fulfilled the necessarily cautious forecast.

Present economic situation obviously still makes recasting unusually difficult, but it would be wrong if I did not state that present indications show that the profit for the Group in 1976 will clearly be in excess of that for 1975.

SALE TILNEY & COMPANY, LIMITED  
28 Queen Anne's Gate, London SW1H 9AB

## HISTORY TODAY

Edited by Peter Quennell and Alan Hodge

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- TRINGED KEYBOARD INSTRUMENTS  
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## OFFSHORE AND OVERSEAS FUNDS

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## FINANCIAL TIMES SURVEY

Tuesday, March 23 1976

## IRELAND

Even with the hallmark of membership of the European Community, Ireland, for all its economic progress of recent decades, is still a nation facing serious problems. Recession has hit it badly, the industrial base remains narrow, and never far away is the shadow of the IRA and the Northern Ireland violence.

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Giles Merritt

Correspondent

SCARCELY seems credible, as at Ireland to-day, that less than a decade ago the Republic was being heralded as a model of continued independence. Thirty-five years into the life of the Republic, its leaders like Mr. Liam Cosgrave, who was in 1953, take over the premiership from Mr. Eamon de Valera, warning that the country's economic future could force it into the United Kingdom.

was, of course, the sort of politician raised to win elections, and in 1957 slipped to do just that in the Fianna Fail. But even in 1976, Ireland's future and much of the relationship with the EEC, are looking and Europeanised, the relationship with Britain is a very, very touchy.

dark mountains, soft bogs, they all add up to the instantly recognisable Emerald Isle of the Irish Tourist Board. But Ireland, thank her many Saints, is not like that.

In many ways, Ireland is more an idea than an entity. To the unpractised eye of an American or European visitor, its outward appearance—from advertising hoardings, to traffic, to council estates—are those of mainland Britain. Much the same could be said of Canada in relation to the U.S., or Belgium to France, but that is to confuse an already complex situation unnecessarily. Ireland's struggle to establish its separate identity against heavy economic and social odds is the continuing fight to understand its individuality. Needless to say, the exact definition of what Ireland is, is argued interminably by the Irish themselves.

Superficially, the picture is simple enough. The Irish Republic occupies most of a large island—more than enough, by any standards, to sustain a population of 3m.—and against the context of the last century or so is nowadays remarkably prosperous. Its agriculture feeds not just itself and a good portion of the British, but increasingly contributes to the needs of the European community. Farming is the main industry and is treated with serious efficiency. Long gone are the days when Blarney, it is said, was able to give: "If Ireland were given to the Dutch, within a year it would feed the world. If Holland were given to the Irish, it would starve in a week."

Industrially, Ireland has developed out of all recognition and in the last 15 years has achieved an industrial growth rate that has switched a growing proportion of jobs away from the land to the new factories. In the main, attractive foreign investment incentives have been responsible for this, and it is new businesses from abroad that have lifted industrial export earnings from the 1960 level of only £71m. to today's figure of approaching £700m., accounting as they do for around half the total.

## Standards

On the whole the Irish have greeted this relatively sudden metamorphosis with enthusiasm. There is now net immigration with the return of former expatriates, and other than in the rural hinterlands of the West, living standards are no longer so far from the British norms.

Not surprisingly, there are snags. Ireland, like Britain, though for almost opposite reasons, lives beyond its means. It has discovered the expensive tastes of an industrial nation without yet having developed sufficiently to afford them. The economy is in poor shape, badly strained by soaring State expenditure aimed at providing proper welfare and social services and, through public sector employment, offsetting the effects of a world-wide recession that has hit Ireland hard. Last year, GNP dropped 3 per cent, and joblessness continues to grow.

As a result, the three-year even treated his Cabinet colleagues with the unbending Government of Mr. Liam Cosgrave is headed for a demagogic political opponents. Last year, showdown with the Republic's without saying a word before

90 trade unions over their refusal to accept a voluntary pay pause this year. Unless the hardline positions adopted by both sides soften into compromise, with the Government at least prepared to discuss price controls and the unions meaningful wage restraint, the coming clash could mean widespread strike disruptions and even a general election well in advance of that scheduled for two years from now. Mr. Cosgrave's working majority in the Dail (Parliament) relies on Labour seats, and they could be a Trojan Horse.

As things stand, the conflict between organised labour representing half Ireland's workforce of nearly 1m., and Government makes the relationship between Britain's counterparts, and the wages policies negotiated by successive British Governments, seem models of tolerance and flexibility. Toughness is a hallmark of the Cosgrave Government.

Liam Cosgrave is himself a dour, authoritarian figure: a politician with a reputedly elephantine memory for slights (and favours, too) who neither gives nor asks for quarter. His Cabinet, at first inexperienced after years in the wilderness of Fianna Fail rule, is much of it talented and some of it brilliant. But Mr. Cosgrave's no-nonsense approach to Government determines its collective image, even if he himself is often little in evidence.

At times, Mr. Cosgrave has even treated his Cabinet colleagues with the unbending Government of Mr. Liam Cosgrave is headed for a demagogic political opponents. Last year, showdown with the Republic's without saying a word before

hand, he walked into the "no" lobby to help defeat a Government-sponsored, though free vote, bill liberalising contraception. Ireland is still a most Catholic country and Liam Cosgrave is its leader.

His sternness is not without advantages. Of late he has done much to alter the outside world's view that Irish Governments are ambivalent in their attitude to the Provisional IRA. Mr. Cosgrave and his Ministers prosecute the war against the IRA with singlemindedness and growing efficiency. Last year Ireland spent £120m. on security operations against terrorism, and calculated that the total cost of terrorist activity to the country was nearer £250m., a sum Ireland can ill-afford. Firm handling of the Herrens kidnapping case and even ruthless action to prevent IRA hunger striker Frank Stagg's funeral in Ireland being turned into a propaganda circus by the Provisionals have been dramatic high spots in a steady campaign against Republican extremism.

## Harder

The Government recognises that the IRA is a long-term threat to democracy in the Republic. And contrary to the widely-held opinion in Britain that the Irish authorities soft-pedal the fight against the IRA, Dublin has adopted a harder line than Whitehall. The British Government's policy of maintaining secret contact with the Provos is a major bone of contention between the two Governments, for Dublin maintains that talking to them gives them political status.

Against a good deal of political opposition, for Fianna Fail is moving steadily away from the Government on the Northern Ireland question with its new policy of demanding a British declaration of intent to withdraw from Northern Ireland, the Cosgrave Government has pushed through a "fugitive offenders" law that will enable terrorists to be tried in the South for crimes committed in the U.K. It may be second best to extradition, as Northern Ireland Secretary Mr. Merlyn Rees has complained, but it cleared by the Supreme Court on the question of its constitutionality, it should put a stop to charges that the Republic is a "safe haven" for the IRA. At the same time, much stiffer jail sentences are soon to be introduced for IRA membership, possibly around five years as against the present maximum of two.

The Dublin Government believes that support for IRA activity in the South is now at its lowest for many years. How true that is it hard to tell. Sympathy, with all its degrees ranging from active support to passive acceptance, is one of the grey areas of Irish life. Over and above the Republic's natural concern for the Catholic minority in the North—a concern that the Government recognises could boil over into civil war if the Catholic community were attacked by the 1m. strong Protestant majority—there is a gut feeling that the British have a little business to be in Northern Ireland as formerly they had in the South. In theory, all three major political parties in Ireland sub-

scribe to the ideal of a reunified island.

On the other hand, the Republic prizes its own peacefulness. Even if Republican ideals are largely responsible for seven years of chronic Northern Ireland crisis, the South is often inclined to view the Northern mess with smug detachment. Violence 100 miles away is a long way away. On an economic plane, realists are under no illusions that reunification would be ruinous if Ireland were forced to match British welfare standards, for example. Many Irishmen share the popular British daydream of a Northern Ireland that could be neatly sawn-off and allowed to float away into the Atlantic.

## Nationalism

Clearly, the Irish Government treads a tight rope. It encourages certain forms of nationalism, such as the Irish language (in the face of a general indifference), to stress Ireland's individual character. At the same time, it stamps heavily on any attempts to rock the boat of prosperity or undermine its international responsibility. The task is made no easier by the conflicting pressures exerted by the two main expatriate communities. Dublin is often uncomfortably sandwiched between misguided Irish-American support and sustenance of IRA "freedom fighters" and the 1.5m. Irish who as its presidency of the EEC Council of Ministers admitted who are determined that their it to a centre-stage position and,

BASIC STATISTICS	
Area	27,136 square miles
Population	2,978,248
GNP (estimated) for 1975	£3,623m.
GNP per capita (estimated)	£1,218.8m.
Official reserves (end Jan., 1976)	£227.2m.
Trade (1976)	
Total imports	£1,099.2
Total exports	£1,440.4
Imports from U.K.	£827.9m.
Exports to U.K.	£788.6m.

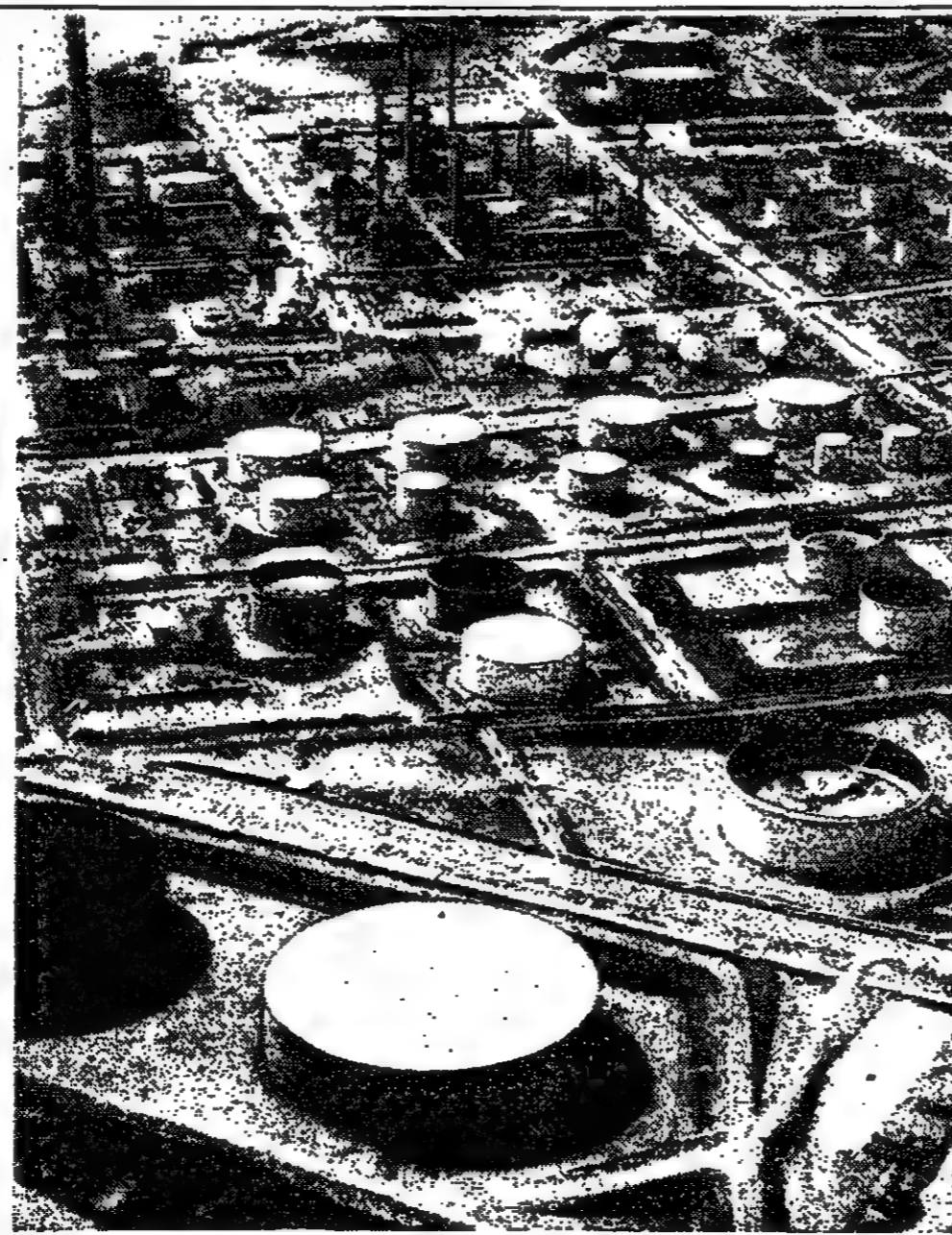
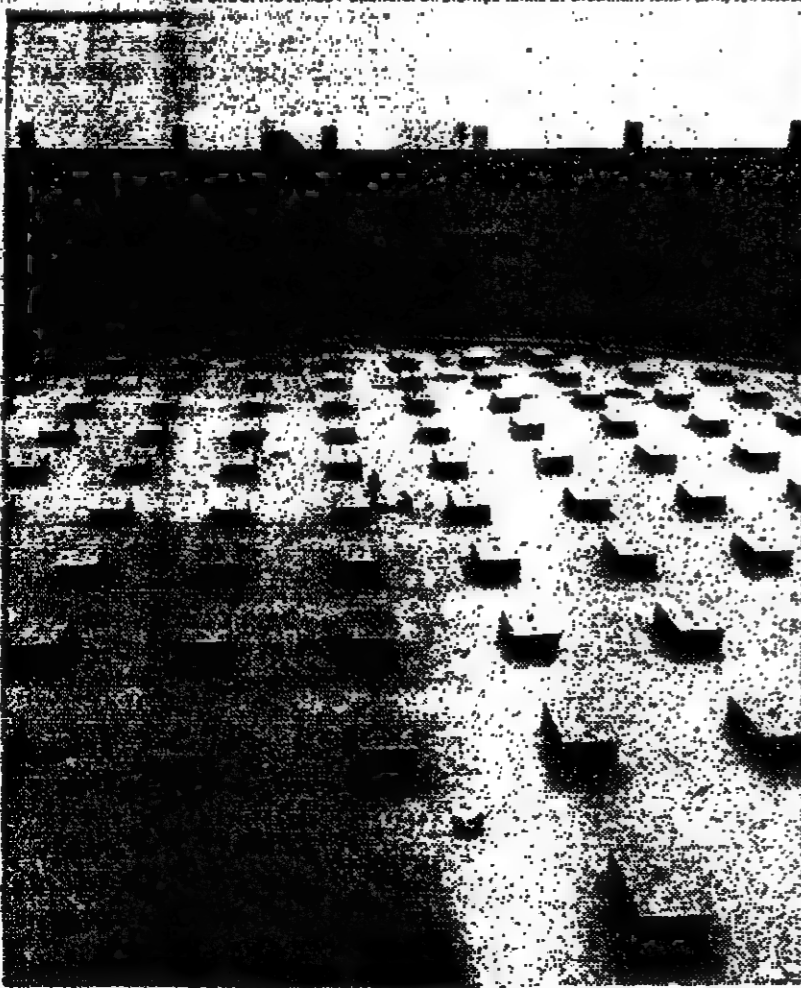
lives should not be compromised.

The Northern Ireland question occupies a disproportionate amount of the Irish Government's time, and ensures that the bilateral relationship with Britain is of greater importance than Ireland would probably wish. Although the Republic is inevitably an economic satellite of the U.K.—well over half of its exports are to Britain, two-thirds of imports are British goods (in the face of a general indifference), to stress Ireland's individual character, strategic powers denied to the Irish Finance Minister—Dublin is keen to free itself from the British orbit.

Lately with considerable success the EEC has provided Ireland with an international dimension and it has seized on it avidly. In marked contrast to Britain, on whose coat-tails it joined the Community, Irish-American support and sustenance of IRA "freedom fighters" and the 1.5m. Irish who as its presidency of the EEC Council of Ministers admitted who are determined that their it to a centre-stage position and,

CONTINUED ON PAGE III

Tankage and spheres at Amoco Refinery, Milford Haven.

Aerial shot of the "Buoyco" and its pontoons  
For one of the ten 304' diameter oil storage tanks at Greenham Tank Farm, Tees-side.

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Exterior of one of the ten 26'4" million gallon crude oil storage tanks at Greenham Tank Farm, Tees-side.

Tankage and pipework at the Corbitt Refinery, Abbeville.



## IRELAND III

## Northern influence

A WARM late October Sunday morning in Dublin in last year, such other things as issuing the city's fashionable Dawson blood-curdling threats to the Street just around the corner British Government, electing from the Dail (Parliament) the officers of the Provisionals' political wing. One vice-president notably is being voted the crowd barriers and through in absentia: Daithi O'Connell, the Provisional IRA's occasional motorist who has the Portlaine prison serving a 12-month sentence for IRA membership.

A pretty blonde Scandinavian girl emerges from the Royal Hibernian Hotel in Dawson Street to find herself at the centre of what is clearly an official function. Streams of passholders are making their way into a large building opposite. "What's going on?" I overheard her ask her companion, an elderly Irishman. "Oh, its their annual conference," she said. "But I thought they were terrorists," she says, surprised. "Well, yes and no," he explains. Apparently a taciturn man, he doubles the short answer is almost as good as the long and a slight less confusing. Quite so, for inside the build-

ing the conference is, among degrees of Irish nationalism, Fianna Fail, traditionally the ruling party and so unused to opposition that its disarray seems to grow with each month of the three years it has now been out of office, has of late sought to make up lost ground by capitalising on its more Republican position on Northern Ireland.

Last autumn it hardened its line by calling on the British Government to declare its intention of withdrawing from Northern Ireland. Nor "precipitately" Fianna Fail leader Mr. Jack Lynch hurriedly added after a storm of protest from Westminster, but by then it hardly mattered. It had become clear that it was not the British he was fighting but the West Mayo by-election.

The death of West Mayo's long-time Fianna Fail incumbent, Mr. Henry Kenny, who was also Parliamentary Secretary to the Finance Minister, at that time opened up for Fianna Fail the hope of whitening the Government's Dail majority down to a shaky margin of one if it could capture the seat.

As the big guns from both sides poured into West Mayo in support of the two youthful candidates put up by Fianna Fail and Fine Gael (the latter party, in traditional Irish style, defended the seat with Mr. Kenny's 24-year old son, Enda), it became clear that the issues were not just the economic problems of the underprivileged and rural West. Northern Ireland, true to form, was soon enjoying a disproportionate importance in the electoral campaign.

The contesting positions of Government and opposition were clear enough. The former believed that for the foreseeable future Britain must stay in Northern Ireland, while Mr. Lynch's Party had come down heavily on the side of an ordered withdrawal, also in the foreseeable future—thus ending up closer to Provisional Sinn Féin, for example, and measurably further away from Fine Gael and Labour than at any time since the troubles began.

During its three years in power, Mr. Liam Cosgrave's Government has taken an increasingly tough line against IRA activities, maintaining that

even passive support in the South for Republican extremism is all but dead. Judging by West Mayo, they are right, for the seat was handsomely retained by Enda Kenny and the pundits promptly blamed Fianna Fail's poor showing on the Party's new Northern Ireland policies.

## Loyalties

Of course, you cannot really draw too heavily on by-election results, especially in Ireland where old loyalties and past favours often carry more weight than political stances. It was enough, though, to persuade Mr. Lynch to temper his position on the North. Of late he has muddled the issue by claiming to have a solution to the Northern Ireland power-sharing impasse, while refusing to divulge it on the grounds that that would be "irresponsible."

Looked at coldly, in fact, Mr. Lynch is not doing well in opposition and his sorry performance is made all the more remarkable by the difficult economic conditions in which the Cosgrave Government has had to cut its political teeth. Often pushed by its Labour partners

who in Ireland do not so much represent workers as conscience—the Government's boost to social services spending at a time of general recession has produced a succession of unpalatable Budgetary measures.

In the 44 years since it first took office, Fianna Fail has won ten out of 13 General Elections. In the three cases where a coalition Government did briefly oust it, that coalition was never re-elected. Understandably, Fianna Fail views electoral setbacks as little more than exceptions that prove its rule. Until recently, it looked almost benignly on the Cosgrave Government in much that light.

But now realists inside Fianna Fail must be starting to wonder. The Party is dangerously divided, and there are suggestions that Mr. Lynch in the next year could even be forced to defend his position in a leadership battle. The split and the possibility of a leadership challenge are not exactly the same, thus adding to the general impression that the Party is at sixes and sevens.

Both stem, however, from Mr. Lynch's unceremonious sacking of three of his senior Ministers in 1971 on the suspicion that they were involved in gun-running. One of them, ex-Finance Minister Charles J. Haughey, has since been "rehabilitated," as the Irish political commentators insist on putting it despite the term's unfortunate overtones.

Mr. Haughey is a formidable figure, generally acknowledged to be the man who must lead the Party if Fianna Fail loses the next General Election. But there are signs that despite his forgive-and-forget protestations of loyalty to Mr. Lynch, Mr. Haughey may not be altogether willing to wait. He is reported to have urged the new "British out" Northern Ireland line on Mr. Lynch in October, and then blamed his leader when West Mayo was lost in November.

Another gunrunning casualty was ex-Agriculture Minister Mr. Neil Blaney, to whom, despite Mr. Haughey's continued urgings, Mr. Lynch adamantly refuses to return the Fianna Fail whip. But Mr. Blaney is about to come into his own, for another by-election must shortly be fought following the death of the Fianna Fail member for North East Donegal.

It so happens that Mr. Blaney also sits for North East Donegal. It is a large constituency and under proportional representation returns three members to the Dail. The third seat belongs to Fine Gael, but the one that is now vacant is in Blaney territory. Indeed, barring electoral quirks, it is almost in the Blaney gift.

As a result, Mr. Blaney is threatening to vent his displeasure with Mr. Lynch by running a "Blaney" independent candidate and thus splitting the Fianna Fail vote. The risk is that in so doing a normally cast-iron Fianna Fail seat might even fall to Fine Gael by default.

Unless Mr. Lynch can gracefully backtrack and reinstate Mr. Blaney, he faces the prospect of an embarrassing public split at the hustings or the Government's overall majority in the Dail rising to five. And in Ireland that is a healthy enough margin.

## Possibility

Even when West Mayo raised the possibility of the Govern-



## Rough

CONTINUED FROM PAGE 1

if only to justify its position as the Community's happiest beneficiary, Ireland responded with such important initiatives as the Euro-Arab dialogue, aimed at promoting co-operation between the Nine and the Arab world.

This year, Ireland is no longer the blue-eyed boy of Brussels. It has discovered that national interest, which once it chided other, larger EEC countries for succumbing to when they sabotaged Community accord, is a potent force. On one level Dublin has behaved badly over Brussels' directive this year that it implement equal pay. It tried to refuse, prevaricated and lost, launched a vicious personal attack on its own EEC commissioner for his part in the affair, and finally has demanded that the already munificent Community budget should bear the cost.

On a much deeper level, Ireland is worried about the way

the EEC is going. Concerned anyway that Greece's possible membership would mean a re-division of the spoils of the Common Agricultural Policy, it now faces even more dangerous threats.

West Germany's proposals for tighter control of the Community Budget, notably a cut-back in CAP costs, were followed by the Tindemans Report that put the case for a "two-speed" development of the EEC, in which the bigger, stronger members would not be braked so firmly by the need to take their smaller partners along with them. Tiny Ireland, which had once discovered so delightedly that in the European Club all members were equal, is currently preparing to make a fuss. The April 1 summit of the Nine's leaders in Luxembourg may well give Europe a chance to discover that Irish eyes are not forever smiling.

ment having to operate on a very slim majority, Mr. Cosgrave never seemed inclined to go to the country. It is not his nature to be pushed into actions, and even if feedback from the constituency grassroots were ever to assure him of sweeping gains it is far from sure that he would choose to disrupt the even tenor of his administration by fighting an election that was not strictly necessary.

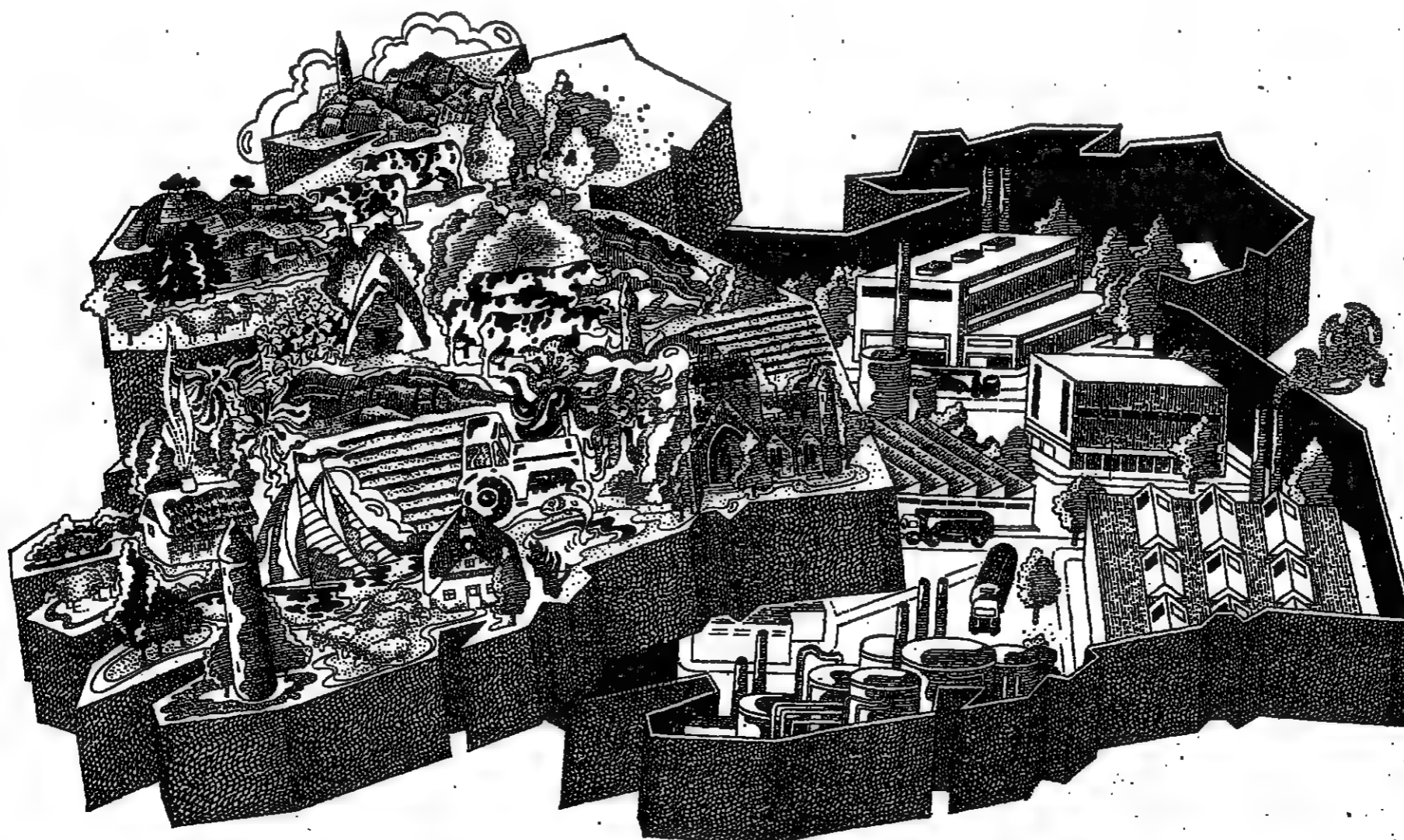
This is possibly the secret of his Government's success. Although relatively new boys, his Cabinet seem remarkably self-assured—sometimes, perhaps, the point of insensitivity. Fianna Fail may still retain its position as the largest single party in the Dail, with 67 seats (Fine Gael has 55, Labour 19 and there are two independents), but its talks wistfully of a spring election appears fractious and not very constructive. Scarcely ruffled by sniping attacks on its maverick factor in all this is

management of the economy, the Government makes much of getting on with the job.

There are no real ideologies in Irish politics other than those of a gut Republicanism that turns Left into Right and vice versa. Thus a decision it had already taken to postpone the introduction of the EEC's directive on equal pay for women. With a pay champions the more old-fashioned virtues of private enterprise. But increasingly central theme of its plan for there is a philosophical divide between Government and opposition, with the former Party appearing to retain much of its cards.

For all his own problems, "Honest Jack" Lynch must currently be drawing a good deal of comfort from the knowledge that this coalition, like all its predecessors, contains the seeds of its own destruction.

Giles Merritt



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1. The Republic of Ireland is predominantly an agricultural country.

TRUE ☐FALSE ☐

2. Its manufacturing capacity is small in keeping with Ireland's insignificant domestic market.

TRUE ☐FALSE ☐

3. Ireland has the lowest industrial growth-rate in the EEC.

TRUE ☐FALSE ☐

4. Ireland's sole natural resource is grass.

TRUE ☐FALSE ☐

We'll give you a hint: All the statements are false.

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